



Freeport-McMoRan Oil & Gas  
5640 S Fairfax Ave  
Los Angeles, CA 90056

**Steven P. Rusch, P.E.**  
Vice President Environmental, Health  
Safety & Government Affairs  
Telephone: 323-298-2223  
Fax: 323-296-9375  
E-mail: [steve\\_rusch@fmi.com](mailto:steve_rusch@fmi.com)

October 21, 2015

The Honorable Mark Ridley-Thomas  
Los Angeles County Board of Supervisors, Second District  
500 West Temple Street, Room 866  
Los Angeles, CA 90012

RE: Status of UIC Regulatory Compliance at the Inglewood Oil Field

Dear Supervisor Ridley-Thomas:

On October 8<sup>th</sup> the California Division of Oil, Gas, and Geothermal Resources (DOGGR) released a report auditing the agency's management of the Underground Injection Control (UIC) program for oil operations in District 1 (D1). Pursuant to the release of the report, your office asked us to summarize the current status of key UIC regulatory requirements at the Inglewood Oil Field. This letter is intended to respond to that status inquiry.

Among other things, the audit cited critical deficiencies in DOGGR's internal record keeping. Most notably, the audit concluded that the D1 office had failed to properly require Area of Review (AOR) evaluations when permitting new injection wells and that the office had been failing to conduct regular project reviews for injection projects within the jurisdiction of the D1 office.

Deficiencies relating to DOGGR's management of the UIC program were initially raised in 2009. The Inglewood Oil Field was one of the first oil fields in the state to be reviewed by DOGGR relative to the Division's internal evaluation of the UIC program. As a result, many of the types of deficiencies flagged in the recently released report were identified years ago and promptly addressed and resolved at the Inglewood Oil Field.

AORs covering all of the areas within a quarter mile of where new drilling has occurred within the field were prepared and submitted by FM O&G beginning in 2010. These reviews covered more than 1,500 well bores in Los Angeles County and Culver City, many of which dated back to the inception of the oil field. As part of the ongoing DOGGR permitting process, we continue to prepare and submit AOR evaluations for each new well we install or convert from production to injection. In addition, updated project reviews for the field have also been conducted.

It is important to note that the AOR reviews conducted in 2010 identified a number of wells where it could not be shown conclusively that the oil bearing reservoir was 100% isolated. Although the wells identified posed no threat since there are no documented groundwater resources underlying the Inglewood Oil Field and the field is hydrologically disconnected from

the surrounding area, remediation was performed based on the findings of the AOR evaluations. In all, FM O&G has spent more than \$15 million since 2010 remediating wells that required attention pursuant to the AOR evaluations.

As acknowledged in the report, the D1 office has historically had deficiencies related to internal record keeping. FM O&G is continuing to conduct an internal review of our own records for all of the production facilities we operate in D1 to assess the validity of the claims made in the audit.

Please let me know if you have any additional questions regarding this matter.

Sincerely,



Steve Rusch

CC: Karly Katona, Office of Supervisor Mark Ridley-Thomas  
Elaine Lemke, Los Angeles County Counsel  
Luiz Perez, Marine Research Specialist  
Tim Stapleton, Department of Regional Planning  
David McNeil, Baldwin Hills Conservancy/Community Advisory Panel Co-Chair  
John Kuechle, Community Advisory Panel Co-Chair